

## **MISSION**

- **Provide that minority and women-owned firms have the maximum practicable opportunity to participate in contracting and purchasing**

## **VISION**

- **Seeking diverse competition will be the norm in state contracting and purchasing**
- **Firms doing business with General Administration (GA) will reflect the community of available qualified firms**

## **GOALS**

- **Increase solicitation of minority and women-owned businesses on GA contracts and purchases**
- **Increase the amount of GA business conducted with minority and women-owned businesses**

The people of Washington have held that the state may not discriminate or give preferential treatment based on race or gender in public contracting [Initiative 200: RCW 49.60.400]. State law also establishes policy to mitigate past discrimination in contracting and purchasing [RCW 39.19], and the Governor's Directive 98-01 requires agencies to increase their outreach and training efforts for supplier diversity.

In July 2006, Governor Gregoire established, through the Office of Minority and Women's Business Enterprises (OMWBE), the Supplier Diversity Initiative to turn around the declining levels of contracts with certified minority and women-owned businesses.

Our duty, under the law, is to provide that minority and woman-owned firms have the maximum practicable opportunity to participate in contracting and purchasing. We influence the depth and diversity of the vendor pool by promoting fair and open access for state business opportunities. Such efforts strengthen the state's economic vitality and help government get the best price and value.

## STRATEGIC APPROACH

The state must act to be a credible partner to firms interested in doing business with government. GA is seen as a key portal to state business and has two primary areas of influence:

- **Our own purchasing and contracting activity.** GA spends over \$50 million per year. Two-thirds of this activity is in construction. About a quarter of it is in goods and services. Under the law, GA is accountable through OMWBE's participation reports for our performance in these activities.
- **Contracts we develop and award on behalf of government.** GA creates master contracts worth nearly \$900 million annually for purchased goods and services. GA also manages about half of the state's construction projects for general government agencies and two-year colleges with a value of more than \$500 million annually.

Our strategic approach is to improve outreach and access while maintaining the transparency and integrity of our purchasing and contracting processes. These are the elements over which we have the greatest influence – and which we expect will then drive improvements in participation.

## POLICY MAKING AND LEADERSHIP

The **PERFORMANCE AND ACCOUNTABILITY DIRECTOR** is GA's lead "change agent" for supplier diversity and is responsible for:

- Setting overall agency-wide policy, goals, and strategic objectives for supplier diversity.
- Building positive relationships with businesses, stakeholders, the Office of Minority and Women's Business Enterprises, and other governmental entities.
- Reviewing planned and proposed outreach activities for strategic impact.
- Designating additional internal change agents as needed for specific supplier diversity activities.

**ASSISTANT DIRECTORS (AD)** are responsible to the Agency Director for the performance of their Divisions. Assistant Directors shall ensure that their program managers and supervisors understand and promote the objectives of the business equity and access program, in part by including GA's supplier diversity leadership competency in their Position Descriptions and Performance & Development Plans:

- **Leadership Competency:** Provides that minority and woman-owned firms have the maximum practicable opportunity to participate in contracting and purchasing.

**PROGRAM MANAGERS AND SUPERVISORS** are expected to monitor and coach the performance of their purchasing and contract staff towards the agency supplier diversity goals and targets, and include a supplier diversity competency in their Position Descriptions and Performance & Development Plans:

- **Model Competency:** Provides that minority and woman-owned firms have the maximum practicable opportunity to participate in contracting and purchasing. Employs strategies to maximize access and competition in structuring contracts and purchases. Researches and solicits competition from minority and woman-owned firms using Washington Electronic Business Systems (WEBS) and the OMWBE certification listings. Documents efforts in appropriate formats or reports.

Program Managers will review and assess their supplier diversity performance using GA's performance management framework tools (including Government Management Accountability & Performance (GMAP), our Performance Measure Tracking System (PMTS), Action Plans, and Status Reports).

Managers or supervisors are also expected to review contracts that are not meeting established voluntary goals before a decision is made whether to renew or re-bid. They may recommend that a contract be re-bid rather than renewed if qualified certified firms exist that could bid on the contract or participate as subcontractors.

## **IMPLEMENTATION**

### **KEY AGENCY INITIATIVES**

- Create a procurement strategy that identifies priority spend areas and methods to improve M/W participation for both Contracts use by other entities and GA Purchases.
  - Identify the goods and services represented by Diverse firms using the WEBS and OMWBE databases, to support a "targeted" spending strategy
  - Determine and biennially update the top targeted categories of GA contracting and GA expenses
  - Develop procurement strategies for these targeted spend areas using methods to improve MWBE participation for both Contracts and Purchases
- Improve access to opportunities by using WEBS as a single source for notifying firms of all GA competitive bid opportunities AND promoting other state and local agency use of WEBS for bid solicitations.
- Sponsor stakeholder work groups to explore ways to refine our criteria for the "best qualified" Architectural and Engineering firms to open the selection process to a wider range of quality firms.
- Consistent with GA's role as the state's lead goods and services purchasing and public works contracting agent, sponsor and/or participate annually in formal outreach events throughout the state where businesses can meet purchasing and contracting staff, hear about coming bid opportunities and learn to compete and win state and other government contracts.

**PERSONS MAKING PURCHASES (INCLUDING PUBLIC WORKS) FOR GA** are most directly responsible for ensuring fair and open access to purchase opportunities. Under the law, GA is accountable through OMWBE's MBE/WBE participation reports for our performance in these activities.

**Persons making purchases and/or establishing contracts for GA's own expenditures, in consultation with program managers and AD's, will:**

- Know and understand the state purchasing requirements for making purchases using state funds and GA's commitment to supplier diversity. (Reference "tool kit" addendum #1)
- **Implement** the procurement strategy(s) for the top targeted categories of GA expenditures. (See strategic approach and key agency initiatives, above)
- **Identify** and plan for each purchasing opportunity as far in advance as practical.
  - OMWBE may be able to provide referrals and can work with small, minority, and women-owned businesses to help them prepare to bid competitively
  - Diverse small businesses have noted that notice prior to the formal bid letting increases their ability to participate
- **Research** the diverse vendors in the market using WEBS and the OMWBE listing.

- **Solicit** competition from all available small, minority and women-owned vendors, including for Direct Buys, whenever reasonably possible or as required by law. For all competitive purchases, use WEBS to notify firms and ensure that the competition is documented.
- **Expand** the use of model contract terms and conditions to require contract awardees to provide subcontractor payment data.
- **Follow-up** periodically with small, minority, and women-owned businesses that do not regularly respond to your solicitations to identify barriers or concern.

## **PERSONS MAKING CONTRACTING DECISIONS ON BEHALF OF STATE**

**GOVERNMENT** [e.g. Office of State Procurement (OSP), Engineering & Architectural Services (E&AS)] are most directly responsible for ensuring fair and open access to contracting and subcontracting opportunities. While GA engages in many enterprise-wide forums and outreach events, each individual purchasing officer and contract manager is still responsible for direct outreach and assistance to small minority, and women-owned businesses.

### **Persons making contracting decisions on behalf of state government, in consultation with program managers and AD's, will:**

- **Implement** the procurement strategy(s) for the top targeted categories of GA contracting. (See strategic approach and key agency initiatives, above)
- **Identify** each contract coming up for bid or renewal 8-12 months in advance or as far in advance as practical. OSP contracts, E&AS construction, Buildings and Grounds (B&G) maintenance and capital projects are examples of activities where advance notice is expected. (See #2 “alerting” just below)
- **Research** the vendors and contractors in the market (WEBS and OMWBE listings). Identify and recruit potential vendors and contractors that might compete for the opportunity.
- **Consider** the potential for competitive participation by small, minority and woman-owned firms among the factors used in determining whether to renew or re-bid a current contract.
- **Develop** specific strategies to enable small, minority and woman-owned businesses to get access and compete. Useful strategies include:
  1. Consideration to structuring the contract(s) regionally, functionally, or otherwise to increase competition and enhance opportunities for small, minority and woman-owned business participation.
  2. Alerting GA's OMWBE contact AND potential bidders to the pending opportunity.
    - OMWBE may be able to provide referrals and can work with small, minority and women-owned businesses to help them prepare to bid competitively
    - Diverse small businesses have advised that notice prior to the formal bid letting increases their ability to participate
  3. Advertising opportunities in non-traditional media and via community-based organizations serving small, minority or women's business interests when WEBS needs to be supplemented.
  4. Use of pre-release and pre-bid conferences to inform potential bidders of the objectives and solicit input on the approach to making award. (When feasible, invite OMWBE to participate in the session and to facilitate networking opportunities among vendors and contractors after the session.)
- **Expand** the use of model contract terms and conditions to require contract awardees to provide subcontractor payment data.
- **Solicit** competition from all available minority and women-owned businesses for all purchases requiring competition using WEBS to ensure that the competition is documented and to facilitate Performance Measure reporting.

- **Follow-up** periodically with small, minority and women-owned businesses that do not regularly respond to solicitations to identify barriers or concerns. Provide appropriate assistance, or seek help from the GA change agent. Divisions can advise OMWBE of Certified firms that are repeatedly non-responsive or non-competitive, so that OMWBE can provide them assistance if appropriate.
- **Refer** small, minority, and women-owned firms to bid on contracting opportunities in state agencies with delegated contracting authority and local governments.

## PERFORMANCE MEASURES

OMWBE is responsible for reporting on the overall participation of certified firms; however, OMWBE relies on accurate financial and payment data reporting by agencies to compile these reports. In addition to data on certified firms, GA will gather data on firms that self-identify as minority or women-owned. This activity will support OMWBE's efforts to identify new candidates for certification and help us refine our outreach, recruitment and notification efforts.

For purposes of these measures, MBE, WBE or M/WBE means OMWBE certified firms. "Diverse Firm" includes both certified M/WBEs and self-identified firms. GA will maintain distinct records of certified and self-identified participation.

### **Goal 1: Increase the solicitation rate of available registered minority and women-owned businesses on GA contracts and purchases.**

These measures are how we will monitor our performance towards Goal 1 and are generally output measures designed to capture levels of effort. Programs will integrate measures in their business plans as appropriate. Programs will generally report on their progress towards the targets quarterly in PMTS.

<i>Performance Measure</i>	<i>Base FY08</i>	<i>FY09 Target</i>	<i>FY10 Target</i>	<i>FY11 Target</i>
Number of Outreach Events targeted to diverse firms at which GA sponsors or presents annually	12	12	8	10
Number of certified M/WBEs registered in WEBS	960	1,000	1,100	1,200
Percentage of Self-Identified diverse firms in WEBS that GA refers to OMWBE for potential certification.	100%	100%	100%	100%
Percentage of respondents to A/E design and public works construction solicitations that are WEBS-registered certified M/WBEs.	3%	4 %	5%	7 %

### **Goal 2: Increase the amount of GA purchasing and contracting activity conducted with minority and women-owned businesses.**

These measures are how we will monitor performance towards Goal 2 and focus on the desired outcomes. Expenditures with certified firms are reported through OMWBE. Expenditures with diverse firms are reported through the agency PMTS.

<i>Performance Measure</i>	<i>Base FY08</i>	<i>FY09 Target</i>	<i>FY10 Target</i>	<i>FY11 Target</i>
Percentage of GA's purchased goods and services expenditures with certified M/WBEs	0.48%	1 %	3 %	5 %
Percentage of GA's public works expenditures with certified M/WBEs	7.05%	8 %	9 %	10 %
Percentage value of statewide goods and services contracts awarded by GA to diverse firms.	10%	10 %	10%	10%
Percentage value of public works contracts and A/E Agreements paid to diverse firms. (FAC)	12%	12%	14 %	14 %

Date: June 30, 2009

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## Supplier Diversity Program Addendum #1: Tool Kit

June 2009

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**OMWBE Contact:** Cathy Canorro (ccanorro@omwbe.wa.gov or (360)704-1187)

OMWBE staff can provide varied assistance to agency purchasing, procurement and data reporting staff. Following is a partial list of some of the tasks OMWBE can assist you with. It is by no means exclusive and some activities may or may not be relevant. Moreover, none of this is meant to substitute for GA's own efforts; it is intended to supplement and enhance.

OMWBE Staff can:

- Create customized lists of certified firms to conduct outreach
- Contact firms that rarely or never respond to solicitations to identify barriers and work with staff to eliminate barriers
- Coordinate outreach with procurement/purchasing staff
- Assist in setting individual contract goals and identifying opportunities
- Invite certified firms to pre-bid conferences
- Speak at pre-bid conferences on the benefits of certification and importance of an inclusive, diverse, open, and competitive bid process
- Contact WEBS self-identified firms to market certification
- Post opportunities on OMWBE website
- Contact certified firms to notify of opportunities
- Provide utilization reports
  - M/WBE Firms
  - Self-Identified Firms
- Provide training in the expenditure reporting process

### Know the Purchasing Requirements

Sign up for the Goods and Services Procurement training offered by OSP at:  
<http://www.ga.wa.gov/events/wpmthome.htm>.

M/W requirements include:

For goods and purchased services between \$3,300 and \$46,200 state law requires GA to use WEBS to obtain at least three quotes, including soliciting at least one from a certified MBE and one from a certified WBE. GA's expectation is to solicit competition from all available M/WBEs on all purchases, including Direct Buys, whenever reasonably possible or as required by law.

### Getting Credit for Sub-Contractors

In order to capture actual OMWBE participation, the GA financial office must enter data manually into the AFRS OMWBE subcontractor screen.

To get this information, the Prime contractor would need to submit the information with their invoice, showing the M/W subcontractor name, Tax Id Number, and amount paid for the given period. GA will require contract awardees to agree to provide subcontractor reporting data.

## Sources to Find Diverse Firms

GA's sponsored WEBS includes firms that have registered to receive electronic bids. Firms include both self identified and approximately 50 percent of those that are OMWBE certified. Expanding your search will require you to use the OMWBE web site.

To search WEBS for OMWBE certified businesses:

1. Your organization must be registered in WEBS. If not, please contact WEBS Customer Service to get started at (360) 902-7400 or email: [webcustomerservice@ga.wa.gov](mailto:webcustomerservice@ga.wa.gov).
2. Log into WEBS at <http://www.ga.wa.gov/webs>.
3. Click the "Search for Vendors" tab.
4. Click the "Search Commodity Code" link.
5. Type the keyword for the item you are looking for (i.e., plumbing).
6. Check the boxes that are returned in your search that match your criteria.
7. Click "Add" at the bottom of the page.

The results will list all of the vendors that match your search criteria. Vendors that are M, W or MW will show in the status column to the right. Clicking on the vendor name in this list will show more details about their firm.

To search OMWBE listing: (open web site, registration not required)

1. On main page of BizNet (<http://www.omwbe.wa.gov/biznetwas/>) select "Search by Business Description."
2. On the "OMWBE Directory Search by Business Description" page type in a keyword or phrase.
3. To create a tailored list, select certain certification types and counties.
4. To run the report click on "View Results."
5. The Search Results Page displays the Business Name, State and Federal Certifications, Contact Name, Phone Number and Email Address. To find more information about the firm, click on the business name.

Note: The more specific the phrase or keyword typed in, the more precise the results (e.g. entering "Construction" could return over 200 firms, whereas "Demolition" returns about 20).